



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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April 4, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

SACRAMENTO UPDATE

Executive Summary

This memorandum contains a report on the following:

- **Legislation of County Interest:**
 - **AB 240 (Rendon).** This measure would state the Legislature's intent to examine options for mutual public water agency in the City of Maywood and would make specific changes to the mutual water company law.
 - **AB 735 (Gomez).** This bill would require the establishment of the Los Angeles River Rehabilitation Project Policy Committee, to support rehabilitation and development along the Los Angeles River. The committee would include members of appropriate public agencies, nonprofits, stakeholders, developers, cities, and environmental organizations to assist in the development and rehabilitation of the Los Angeles River.

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Legislation of County Interest

AB 240 (Rendon), as introduced on February 5, 2013, is an effort to address the water quality issues facing the City of Maywood and its mutual water companies. Specifically, AB 240 would: 1) declare the intent of the Legislature to encourage collaboration among the three separate mutual water companies that serve the City of Maywood; 2) require board members of a mutual water company that operates a public water system to complete a training course on the duties of board members of mutual water companies every six years; and 3) allow mutual water companies to impose property liens when a shareholder does not pay the water bill.

Existing law declares that local agencies can realize efficiencies by coordinating and integrating their assets and seeking mutual solutions to water management issues; requires board members of mutual water companies that operate public water systems to complete a training course regarding the duties of board members of mutual water systems; and permits a mutual water company that is not a public utility to levy assessments upon its shares, unless otherwise provided in its articles or bylaws.

According to the bill's author, mutual water companies have relatively little oversight and only the property owners who own the company can decide on water rates and company management. These companies often lack resources needed to maintain and upgrade their water infrastructure system. In Maywood, which is served by three mutual water companies, the water often meets water quality standards but comes out of the tap discolored and with an odor. The FY 2011-12 State Budget Act (SB 87, Chapter 33, Statutes of 2011) appropriated \$7,500,000 from Proposition 84 of 2006 to provide grants to improve the drinking water infrastructure in the cities of Maywood and Santa Ana. However, Assemblymember Rendon's office reports that a significant portion of that funding is conditioned on public control of the water system. To address that issue, the Assemblymember is working with leaders in the community to explore various options for a unified public water agency to serve the residents of Maywood, including the possibility of a municipal water district, a county waterworks district, a city agency, or a community services district.

This office is working with the Department of Public Works to review the provisions of this bill and determine potential impact on the County. We will continue to keep the Board informed as the bill is amended and considered by the Legislature.

AB 240 has been referred to the Assembly Local Government Committee. Currently, there is no registered support for or opposition to the bill.

AB 735 (Gomez), as amended on March 19, 2013, would, until July 1, 2020, require the Secretary of the Natural Resources Agency to establish the Los Angeles River Rehabilitation Project Policy Committee, to collaborate with and establish a cooperative working relationship with public agencies that are affected by the project, and to consider all existing Los Angeles River rehabilitation plans in effect pursuant to the provisions of the bill, among other provisions. The bill also declares the Legislature's intent to support rehabilitation and development along the Los Angeles River.

Existing law, the Los Angeles County Flood Control Act (Act), establishes the Los Angeles County Flood Control District (District) to control and conserve the flood, storm, and other wastewater of the District. Existing law also establishes various plans and programs intended to preserve, protect, and rehabilitate lands adjacent to rivers in the State.

AB 735 would, until July 1, 2020, require the Secretary of the Natural Resources Agency to establish the Los Angeles River Rehabilitation Project Policy Committee, which would include members of appropriate public agencies, nonprofits, stakeholders, developers, cities, and environmental organizations to assist in the development and rehabilitation of the Los Angeles River. The bill would also require that the Secretary collaborate with and establish a cooperative working relationship with public agencies that are affected by the project and consider all existing Los Angeles River rehabilitation plans in effect in implementing actions pursuant to the provisions of the bill. The bill would require that the Natural Resources Agency use existing State resources and available Federal funds to implement the provisions of the bill and would authorize the agency to apply for and accept grants, donations, and other financial support from public or private sources for purposes of those provisions.

AB 735 would also make legislative findings that the Los Angeles River Rehabilitation Project would foster job creation through investment, improve the quality of life in Los Angeles by providing important recreational, open-space, wildlife, flood-management, water-quality, and urban waterfront revitalization benefits to communities, foster livable communities through placemaking that provides public amenities, links communities, reduces residential segregation, and facilitates healthy behaviors, and support linkages to community and economic development similar to other transit oriented developments. The bill also declares the intent of the Legislature to support rehabilitation and development along the Los Angeles River.

The Los Angeles County Flood Control Act was amended last year by **County-opposed SB 1201** (Chapter 212, Statutes of 2012). SB 1201 amended the Act to provide access to navigable waterways under the District's control, including the Los Angeles River, where such access is suitable for educational and recreational purposes

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and not inconsistent with flood control and water conservation uses. The County opposed SB 1201 because its provisions were unnecessary as public, recreational, and educational use is currently permitted within navigable waterways of the Los Angeles River.

In order to ensure that the County's interests are protected and that AB 735 will not diminish the performance of the flood control systems in the County, **this office and the Sacramento advocates will closely monitor future amendments to AB 735.** Assemblymember Gomez' office has requested a meeting with the County to discuss the provisions of the bill and plans for future amendments. The Sacramento advocates will work with the Department of Public Works to schedule that meeting in early April.

AB 735 is sponsored by the Los Angeles River Revitalization Corporation. The bill has been referred to the Assembly Water, Parks and Wildlife Committee. A hearing date has not been set.

We will continue to keep you advised.

WTF:RA
MR:AO:lm

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
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City Managers Associations
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